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# NEW CALUMET MINES LIMITED

(NO PERSONAL LIABILITY)



TWENTY-FIFTH ANNUAL REPORT

FOR THE YEAR ENDED SEPT. 30th.

# 1967



The photograph on the cover shows one of the Company's engineers in the Tabletop Mountains, Gaspé, Quebec, mapping the property held by Tetagouche Exploration Company Limited and Cyprus Mines Corporation.

# NEW CALUMET MINES LIMITED

*(No Personal Liability)*

## Head Office

Room 303, 355 St. James Street West, Montreal, Quebec

## Executive Office

360 Bay Street, Toronto, Ontario

## Mine Office

Calumet Island P.O., Quebec



## OFFICERS

C. J. CUNNINGHAM-DUNLOP  
President

D. D. THOMSON  
Vice-President

P. K. CUNNINGHAM-DUNLOP  
Vice-President

CHARLES C. D. PRINGLE  
Secretary-Treasurer

## DIRECTORS

C. J. Cunningham-Dunlop, P.Eng., Weston, Ontario  
D. S. McCann, P.Eng., Thornbury, Ontario  
D. D. Thomson, B.Comm., Montreal, Quebec  
J. D. Hackett, Montreal, Quebec  
P. K. Cunningham-Dunlop, P.Eng., Wilmington, Delaware

## Mine Manager

C. J. CUNNINGHAM-DUNLOP



## Transfer Agent and Registrar

CANADA PERMANENT TRUST COMPANY

625 Dorchester Blvd. West  
Montreal

1901 Yonge Street  
Toronto

400 Burrard Street  
Vancouver

## Auditors


ALLEN, MILES, FOX  
& JOHNSTON  
Toronto

## Solicitors

HACKETT & DRUMMOND  
Montreal

## Bankers

CANADIAN IMPERIAL BANK OF COMMERCE  
THE BANK OF NOVA SCOTIA



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# NEW CALUMET MINES LIMITED

(No Personal Liability)

## *Report of the Directors*

To the Shareholders,

NEW CALUMET MINES LIMITED.

(No Personal Liability)

Your Directors submit herewith the Twenty-Fifth Annual Report of your Company, covering the year ended September 30, 1967, together with the Financial Statement for the year, the Auditors' Report thereon, its supporting documents, the Report of the General Superintendent, and maps showing your holdings on Grand Calumet Island, Quebec, and the Gaspé Peninsula, Quebec.

The lead and zinc concentrate production from the mine continues to be under contract to smelters in the United States. The prices received for lead and zinc were 15¢ and 14½¢ per pound respectively, at the beginning of the fiscal year. However, metal prices began to drop shortly after the year began, and by May they had reached the present levels of 14¢ for lead and 13½¢ for zinc. Partially offsetting this was the price received for silver, which rose from \$1.29 per ounce to nearly \$2.00 per ounce at the year end.

However, the lead smelter went on strike in July, and the lead concentrate has been stockpiled at the mine since then. The prices actually to be received for the lead and silver production from mid July to the end of September will be those prevailing at the time the concentrate finally reaches the smelter. Therefore, there will be some adjustment to the earnings figures shown herein, which will be added to or subtracted from next year's earnings.

The accompanying Statement of Operations shows a net profit for the year of \$63,517 after writing off \$122,520 for Deferred Development and \$67,568 of Outside Exploration Expense. The actual cash flow is shown by the Statement of Source and Application of Funds, which shows an increment in the cash position of your Company by an amount of \$205,465.

The labour contract expires on December 31, 1967, and by the time of writing this report, demands were received from the union for extremely high increases in wages, shorter hours and other benefits. Negotiations had not commenced by the time of writing this report.

Although small shoots of new ore were found here and there throughout the mine during the year, there were no important disclosures. Diamond drilling from the bottom level (at 2,500 feet) in No. 5 shaft indicated an erratic, narrow, high-grade ore zone down to a depth of 2,700 feet. Although this ore could extend deeper, and improve, there is not sufficient encouragement, at this time, to probe it further nor to consider deepening No. 5 shaft.

In the last Annual Report, mention was made of a new ore zone paralleling the No. 5 shaft zone to the north. Some worthwhile production was obtained from this zone on the 1,925 and 2,050 levels, but it does not appear to extend above the 1,800 level nor below the 2,050 level.

Your Company's main exploration effort during the past year has been in the Gaspé, where it is involved in three groups of claims. On the largest group, in Deslandes Township, which is shared with Cyprus Mines Corporation and Belcher Mining Corporation Limited, a full season's work was carried out, consisting of geochemical and induced polarization surveys, prospecting and trenching. A discovery of massive sulphides containing lead, zinc, copper and silver was made in a strong, persistent fracture zone. The surveys confirmed the extension of this zone for 3,000 feet or more, crossing the east boundary into a 50-claim group acquired outright by your Company earlier in the year. By the year end, a decision had been made to test this zone by diamond drilling. The geological conditions appear similar to those in which the Wexford copper deposit occurs, on the opposite side of the granite intrusive.

Your Company joined Conwest Exploration Company Limited in a fifty-fifty joint venture option of a 20-claim group in Boisbuisson Township, lying 2½ miles north of the property discussed above. These claims also lie over the east contact of the granite intrusive. There are many showings of disseminated copper sulphides in fracture zones. These are all of sub-ore grade, but the geological conditions are quite similar to those of the Wexford property, which lies 4 miles to the south-west, on the other side of the Tabletop granite. Prospecting, mapping and soil sampling will be completed before the winter begins, and further work will likely be done next summer.

Last year, options were taken on two molybdenite properties not far from the mine. Both properties have excellent showings of molybdenite mineralization in altered limestones. Trenching on one property and diamond drilling on the other, by your Company, failed to indicate any persistence of the mineralization to depth. The options were subsequently dropped.

A group of 36 claims was staked in the Burntbush River Area of Ontario, following news that a large mining company had made an important discovery. There have been no further developments in this area.

A resumé of all your outside properties follows this report.

Your directors greatly appreciate the efforts and loyal support of your staff and employees during the year.

On Behalf of the Board,

C. J. CUNNINGHAM-DUNLOP,  
President.

Toronto, Ontario,  
December 1, 1967.



# NEW CALUMET MINES LIMITED

(No Personal Liability)

## *Résumé of Outside Properties*

Following is a résumé of the work done and the status of the properties in which New Calumet participates, outside of its main holdings on Calumet Island, Quebec.

### A. WHOLLY-OWNED MINING CLAIMS.

1. Gowan, Prosser and Tully Townships, Ontario: The Company has dropped twelve unpatented claims it held in Gowan Township, but retains a 160 acre half-lot in Gowan Township and 75% of another half-lot in Prosser Township. This ground was acquired following the Texas Gulf Sulphur discovery in Kidd Township. All of these properties are underlain by northeasterly-striking volcanics. All the properties were covered by magnetic and electromagnetic surveys in 1965. A resulting electromagnetic conductor on the Gowan claims was diamond drilled in 1966 and was found to be caused by a graphitic shear zone. The two half-lots may be retained for some time, as the annual taxes are low.
2. Methuen Township, Ontario: Seven unpatented claims are held covering a potential trap rock quarry near Peterborough, Ontario, on the Canadian Pacific Railway. Diamond drilling was done two years ago to provide 5 years' assessment work and to obtain samples for test purposes. Your Company has no immediate plans for this property.
3. Préissac Township, Quebec: The remaining six claims, near the nickel-producing Marbridge Mines, were dropped during the year.
4. Deslandes Township, Gaspé, Quebec: During the year, a 50-claim group was purchased by your Company, adjoining east of the 95-claim group held by its subsidiary company: Tetagouche Exploration Company Limited. The ground was acquired following disclosures of copper mineralization on the Tetagouche property. An airborne magnetic survey was flown over the claims for assessment work purposes. Partial coverage was made by induced polarization and soil sampling, on strike of a massive sulphide discovery on the Tetagouche ground. Intensive I.P. anomalies and anomalous copper values in the soil were found. Diamond drilling is planned to test these features before the winter begins.

### B. JOINTLY-OWNED MINING CLAIMS.

1. Daniel Township, Quebec: This is known as the Bosada property, and is comprised of fifty claims located midway between Mattagami Lake Mines and New Hosco Mines. New Calumet owns a 69.69% interest, Osisko Lake Mines owns a 17.47% and Consolidated Professor Mines owns a 10.13% interest. From 1958 to 1964, the claims were subjected to geophysics and diamond drilling, some by Phelps Dodge Corporation, who held the claims under option for a time. Significant zinc values were obtained in some of the drill holes. Some areas of the property have been only partially explored to date. No work was done this year.
2. Lesseps Township, Quebec: These thirty claims in the Gaspé Area were dropped during the year. Keevil Mining Group Limited had earned a 30% interest in return for an airborne magnetic survey. The survey did not disclose anything of importance and the claims were considered to lie too far from the alteration halo surrounding the Tabletop granite intrusive.
3. Tully Township, Ontario: During the year, a one-third interest was acquired in 12 unpatented claims in the Timmins Area, not far from the Texas Gulf Sulphur orebody. Previous airborne surveys had shown several electromagnetic conductors to exist, which were never tested. Your Company may confirm these with ground surveys, followed by drilling if it seems warranted.

### C. MINING CLAIMS UNDER OPTION.

1. Pelham Gold Mines Limited, Kenora Mining Division, Ontario: New Calumet holds under option the seventeen patented claims of this Company near Washiebemaga Lake, southeast of Dryden. Numerous small but high-grade gold showings are present on the property. Your Company did some surface prospecting in 1964 and it was proposed to carry out detailed geological mapping and possibly diamond drilling. This work has not yet been done.



2. Litchfield Township, Pontiac County, Quebec: New Calumet optioned a single claim at the beginning of the fiscal year under review. The claim covers a showing of spectacular molybdenite flake, in veinlets and fracture fillings of quartz, calcite and pegmatite, in pyroxenite near a large granite mass. Surface trenching failed to find any extension of the main showing, and it is concluded that the mineralization is very erratic. The option was subsequently dropped.
3. Clapham Township, Pontiac County, Quebec: Near the end of the fiscal year, six claims were optioned which cover a 200 foot by 50 foot exposure of very good grade disseminated molybdenite in altered limestone near a large granite mass. The mineral is disseminated in the rock as medium sized flakes. The rock is also injected with quartz. Drilling at the year-end proved that the showing is underlain at shallow depth with granite, and that the limestone is a small remnant. The option was subsequently dropped.
4. Boisbuisson Township, Gaspé, Quebec: An option was taken jointly with Conwest Exploration Company Limited, on a 50-50 basis, on a 20-claim group covering part of the east contact of the Tabletop granite intrusive. The property contains several showings of low-grade disseminated copper minerals in fractures cutting the sediments and volcanics within the alteration halo surrounding the granite. There is a marked similarity with the original surface showing at Wexford Mines Limited, which is located on the west flank of the granite. Bulldozing of trenches, road making, geological mapping, soil sampling and prospecting are now under way and should be completed before the ground is snow covered. A decision will be made regarding geophysical work and drilling next spring, after a study of the results of the present program.

#### D. SUBSIDIARY MINING COMPANIES.

1. Tetagouche Exploration Company Limited: New Calumet owns 73% of the issued shares of this Company, and Belcher Mining Corporation Limited owns the remaining 27%. Tetagouche has holdings in the Bathurst Area of New Brunswick and in the Gaspé Area of Quebec.

The Bathurst Area holdings are twenty claims containing a narrow, but persistent, ore grade zinc-lead-copper-silver-gold deposit. The occurrence has been extensively tested by diamond drilling and metallurgical work, and a reappraisal has been recommended in view of the smelter now in the area and current metal prices. No work was done on the property this year.

The Gaspé Area holdings consist of 95 claims in Deslandes Township. Fifteen claims in Bonnacamp Township and 30 claims in Lapotardiere Township were dropped during the year. The Deslandes group is 81% owned by Cyprus Mines Corporation, 14% by Tetagouche and 5% by the staker. As shown by the map in the back of this report, the claims cover an extensive length of the east contact of the Tabletop granite intrusive. A feature of this intrusive is an aureole of alteration at least one-half a mile wide surrounding the granite. The rocks intruded by the granite on this property are Ordovician slates, shales and limestone. Within the aureole, these rocks have been altered to massive hornfels and quartzites, with varying degrees of silicification. Prospecting, soil sampling, airborne geophysics and induced polarization surveys during the past three years have resulted in the discovery of narrow massive sulphides, in a strong, persistent fracture zone, containing lead, zinc, copper and silver. The zone extends southeastward into ground wholly owned by New Calumet. The total known length is about 3,200 feet, with the east end open. At year end, a diamond drilling program was being started to test the zone on both properties.

#### E. ASSOCIATED MINING COMPANIES.

1. Consolidated Professor Mines Limited: New Calumet owns 8.2% of the issued shares of this Company which holds a large block of ground adjoining the south boundary of the Glen Lake - Hiho Silver interests in the Cobalt Area. Surface and underground work has resulted in the discovery of many small silver-bearing veins. The results of the exploration work on the neighbouring property are being followed closely, particularly with respect to the lower diabase contact. This contact has not yet been investigated on the Professor ground, but Hiho is obtaining fine silver ore from this horizon, not far from the Professor north boundary.



# NEW CALUMET MINES LIMITED

(No Personal Liability)

## *Report of the General Superintendent*

The President and Directors,  
New Calumet Mines Limited,  
(No Personal Liability)  
TORONTO, Ontario.

Gentlemen:

I submit herewith a report of the operations at your mine for the Fiscal Year, October 1, 1966 to September 30, 1967.

The mill operated for 304 days at an average of 303.83 tons per day, and processed a total of 92,364.5 tons of ore during the year. The mill did not operate on Sundays or on eight Statutory Holidays. One day was lost due to mechanical difficulties.

Development work continued throughout the year with a total of 3,093 feet of drifting, cross-cutting and raising being completed. Of this total 824 feet were in the No. 3 Shaft area, 1,410 feet in the No. 4 Shaft area and 859 feet in the No. 5 Shaft section.

A new, relatively flat-lying ore body has been opened up on the 900 level and a stope was established on the 1,800 level as a result of the development drifting. An ore zone underlying 1351 C stope, was located by diamond drilling and is presently being mined.

Slashing in connection with the drifting, crosscutting and raising totalled 7,659 cubic feet.

Underground diamond drilling, to outline known ore zones and to explore for new ore, amounted to 30,048 feet.

One surface diamond drill hole was drilled to a depth of 1,639 feet to check the St. Anne area at depth. A second hole in the same area was abandoned at 315 feet.

### SUMMARY OF DEVELOPMENT

#### Shaft Sinking and Excavation

	October 1, 1966 to September 30, 1967	Total to September 30, 1967
No. 1 Shaft .....	—	745.0 ft.
No. 2 Shaft .....	—	686.0 ft.
No. 3 Shaft .....	—	939.4 ft.
No. 4 Shaft .....	—	2,205.5 ft.
No. 5 Shaft .....	—	770.0 ft.
Stations, Sumps and Development Slashing .....	7,659 cu. ft.	1,145,764 cu. ft.

### Drifting, Crosscutting and Raising

100 ft. level	—	530.5 ft.
200 ft. level	—	8,049.5 ft.
300 ft. level	—	9,927.7 ft.
400 ft. level	—	3,126.6 ft.
500 ft. level	—	6,836.4 ft.
600 ft. level	—	7,487.4 ft.
650 ft. level	—	107.0 ft.
700 ft. level	—	63.8 ft.
750 ft. level	—	4,554.4 ft.
900 ft. level	720.5 ft.	6,903.4 ft.
1050 ft. level	—	4,465.8 ft.
1200 ft. level	—	5,085.6 ft.
1350 ft. level	73.0 ft.	8,826.6 ft.
1500 ft. level	30.5 ft.	6,301.9 ft.
1675 ft. level	—	4,533.4 ft.
1800 ft. level	383.0 ft.	6,146.1 ft.
1925 ft. level	69.0 ft.	6,668.0 ft.
2050 ft. level	908.0 ft.	8,660.7 ft.
2175 ft. level	279.5 ft.	1,809.0 ft.
2325 ft. level	57.0 ft.	848.5 ft.
2475 ft. level	572.5 ft.	1,669.0 ft.
Totals	3,093.0 ft.	102,601.3 ft.

### Diamond Drilling

	October 1, 1966 to September 30, 1967	Total to September 30, 1967
Surface	1,954 ft.	179,722 ft.
Underground		
100 ft. level	—	1,053 ft.
200 ft. level	—	21,312 ft.
300 ft. level	—	18,726 ft.
400 ft. level	—	6,376 ft.
500 ft. level	—	15,521 ft.
600 ft. level	1,219 ft.	23,005 ft.
750 ft. level	1,209 ft.	11,546 ft.
900 ft. level	602 ft.	20,120 ft.
1050 ft. level	1,113 ft.	12,492 ft.
1200 ft. level	698 ft.	14,542 ft.
1350 ft. level	1,798 ft.	35,406 ft.
1500 ft. level	1,107 ft.	15,715 ft.
1675 ft. level	525 ft.	8,652 ft.
1800 ft. level	1,645 ft.	22,061 ft.
1925 ft. level	1,665 ft.	15,022 ft.
2050 ft. level	9,150 ft.	42,133 ft.
2175 ft. level	1,990 ft.	7,352 ft.
2325 ft. level	—	2,908 ft.
2475 ft. level	5,373 ft.	8,348 ft.
	30,048 ft.	482,012 ft.



## ORE RESERVES

1. Ore that is profitable with the present prices of lead and zinc at 14¢ and 13½¢ respectively:

	<u>Tonnage</u>	<u>Zinc Percent</u>	<u>Lead Percent</u>	<u>Gold ozs./ton</u>	<u>Silver ozs./ton</u>
Unstoped Ore .....	52,226	7.15	1.88	.010	2.98
Unstoped Ore Plus 10% Dilution (1) .....	57,427	6.50	1.71	.009	2.71
Stope Pillars and Sills .....	111,911	8.42	2.54	.019	4.96
Broken Ore .....	9,046	7.80	2.24	.017	4.54
Total: .....	<u>178,384</u>	<u>7.77</u>	<u>2.26</u>	<u>.016</u>	<u>4.22</u>

(1) A dilution factor of 10% has been used in conjunction with the "unstoped ore".

Note: The total ore reserve figure given above differs from that given last year by the amount of ore milled during the year, in spite of some new ore having been found. This is the result of the elimination of certain stoping areas due to the development of poor ground conditions, and also the result of the tonnage available in some areas having been over-estimated in the past.

2. Ore considered to be uneconomical to mine and mill at present prices, but which would be profitable in whole, or in part, with metal prices considerably higher than at present.

	<u>Tonnage</u>	<u>Zinc Percent</u>	<u>Lead Percent</u>	<u>Gold ozs./ton</u>	<u>Silver ozs./ton</u>
	199,000	3.16	.86	.013	1.59

## SUMMARY OF MILLING

The metallurgical and production figures for the Fiscal Year were as follows:

	<u>Tonnage</u>	<u>Zinc Percent</u>	<u>Lead Percent</u>	<u>Gold ozs./ton</u>	<u>Silver ozs./ton</u>
Ore Treated .....	92,364.5	7.78	2.37	.018	4.66
Zinc Concentrate .....	12,693.09	53.35	.33	.009	2.19
Lead Concentrate .....	3,599.91	8.40	57.22	.313	98.17
Recovery (Percent) .....	—	94.2	94.3	69.5	82.1

23,528 tons of tailings were recovered as backfill and placed hydraulically in the cut and fill stopes.

## SUMMARY OF PRODUCTION

1. Tonnage and Grade Milled

	<u>Tonnage</u>	<u>Zinc Percent</u>	<u>Lead Percent</u>	<u>Gold ozs./ton</u>	<u>Silver ozs./ton</u>
1944-1966 .....	3,558,885	6.00	1.67	.0191	3.59
1967 .....	92,365	7.78	2.37	.018	4.66
Total: .....	<u>3,651,250</u>	<u>6.05</u>	<u>1.69</u>	<u>.0191</u>	<u>3.62</u>

2. **Source of Ore** — October 1, 1966 to September 30, 1967.

	<b>Tons Broken</b>	<b>Tons Removed</b>	<b>Tons Hoisted</b>
#1 Shaft Stopes .....	—	—	—
#3 Shaft Stopes .....	16,624	18,635	18,635
#4 Shaft Stopes .....	27,088	30,139	30,139
#5 Shaft Stopes .....	40,767	41,194	41,472
Total Stopes .....	84,479	89,968	90,246
Development Ore .....	2,330	2,585	2,585
Total Ore .....	86,809	92,553	92,831
Development Waste .....	9,615	9,615	7,663
Total Ore and Waste .....	96,424	102,168	100,494

3. **Metal Produced**

From the actual smelter settlements, in concentrate form, not refined metals:

	<b>Zinc Pounds</b>	<b>Lead Pounds</b>	<b>Gold Ounces</b>	<b>Silver Ounces</b>	<b>Copper Pounds</b>
1944-66 .....	417,500,649.9	116,806,849.3	52,295.92	9,655,262.70	5,132,273.9
1967 .....	13,451,422.5	4,073,408.0	1,143.30	349,057.53	179,900.2
Total: .....	430,952,072.4	120,880,257.3	53,439.22	10,004,320.23	5,312,174.1

Note: Since there is always a lag in smelter settlements, the figures for metal produced cannot be reconciled with the tons of concentrate and grades shown in the Summary of Milling.

**ADDITIONS TO PLANT AND EQUIPMENT**

No additions were made to plant or equipment during the Fiscal Year. All plant buildings and dwellings were kept in repair.

Respectfully submitted,

NEW CALUMET MINES LIMITED  
(No Personal Liability)

J. D. TURNER,  
General Superintendent

Calumet Island, Quebec,  
December 11, 1967.



# NEW CALUMET MINES LIMITED

(No Personal Liability)

## COMPARATIVE SUMMARY OF OPERATIONS AND FINANCIAL POSITION

Year	Tons Treated	Net Sales and Other Income	Net Profit after Taxes and Write-Offs	Dividends Paid	Notes Paid	Net Current Assets Excluding Supplies
1944-1964 .....	3,365,538	35,824,181	4,338,147	3,259,888	1,157,311	
1965 .....	97,586	1,516,084	47,722	Nil	Nil	626,705
1966 .....	95,761	1,658,148	40,074	Nil	Nil	759,454
1967 .....	92,364	1,754,904	63,517	Nil	Nil	980,544
	<u>3,651,249</u>	<u>40,753,317</u>	<u>4,489,460</u>	<u>3,259,888</u>	<u>1,157,311</u>	

## COMPARATIVE SUMMARY OF OPERATING RESULTS EXPRESSED IN TERMS OF TONS MILLED

	Metal Production Net	Operating Cost and Adminis- trative Expenses	Depreciation Deferred Development and Exploration Written off	Taxes	Interest and Discount on Notes	Sundry Credits	Final Net Profit per Ton of Ore Milled
1944-1964 .....	\$ 10.41	8.39	1.03	.35	.04	.17	.91
(averages)							
1965 .....	14.87	13.76	1.29	Nil	Nil	.67	.49
1966 .....	17.16	15.30	1.59	.02	Nil	.16	.41
1967 .....	18.46	15.93	2.38	Nil	Nil	.54	.69

## DIVIDENDS PAID TO SEPTEMBER 30, 1967

Dividend Numbers	Total per share	Total Amount of Dividends
1-15	92½¢	\$3,259,888.85

Note: Last dividend paid on February 6, 1959, being 2¢ per share.

# NEW CALUMET MINES LIMITED

*(No Personal Liability)*

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## AUDITORS' REPORT

To the Shareholders of  
New Calumet Mines Limited (No Personal Liability)

We have examined the balance sheet of New Calumet Mines Limited (No Personal Liability) as at September 30, 1967 and the statements of operations, earned surplus and source and application of funds for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the aforementioned financial statements are properly drawn up so as to exhibit a true and correct view of the state of affairs of the company as at September 30, 1967 and the results of its operations and the source and application of its funds for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada, November 10, 1967.

ALLEN, MILES, FOX & JOHNSTON,  
Chartered Accountants.



# NEW CALUMET MINES LIMITED

*(No Personal Liability)*

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## NOTES TO THE FINANCIAL STATEMENT

September 30, 1967

1. Subsidiary exploration companies and other mining companies, in which the company has an investment of \$347,274 and \$120,753 respectively, are still in the exploration stage, consequently, it is impossible to determine, at the present time, if there will be any ultimate recovery of the company's investments therein. No provision has been made for possible losses which may eventually arise from these investments.
2. The company has granted options on 66,000 shares of its capital stock to certain employees of the company and of an associated company at a price of 50 cents per share exercisable at any time until December 31, 1969.
3. Because of exemptions and deductions permitted for tax purposes, it is estimated that there is no liability for income or mining taxes for the year.

# New Calumet

(NO PERSONAL)

Incorporated under the laws of the Province of Ontario

## Balance Sheet at

(with comparative figures for 1966)

Expressed in Canadian Dollars

### ASSETS

	1967	1966
<b>Current Assets</b>		
Cash and short term deposits	\$ 534,190	\$ 318,085
Accounts receivable	20,782	13,683
Estimated metal settlements receivable	133,090	394,990
Concentrates awaiting shipment — at estimated settlement value	210,594	—
Inventory of supplies — at cost	165,380	181,005
Prepaid expenses	18,403	13,568
Marketable securities — at cost	166,600	113,340
(Quoted market value 1967 — \$149,189; 1966 — \$98,379)		
	<u>1,249,039</u>	<u>1,034,671</u>
<b>Fixed Assets</b>		
Buildings, machinery and equipment — at cost	2,309,690	2,319,434
Less accumulated depreciation	2,237,235	2,217,975
	<u>72,455</u>	<u>101,459</u>
Mining properties — at cost — including properties valued at \$209,985 for which 1,399,902 shares of capital stock were issued	970,084	970,724
	<u>1,042,539</u>	<u>1,072,183</u>
<b>Other Assets and Deferred Charges</b>		
Investments in and advances to subsidiary exploration companies (note 1)		
Shareholdings — at cost	308,143	329,449
Advances and exploration expenditures	39,131	40,288
	<u>347,274</u>	<u>369,737</u>
Investments in shares of other mining companies — at cost (no quoted market values) (note 1)	120,753	109,273
Deferred outside exploration expenditures		
Joint ventures — Quebec	\$ 85,228	
Joint ventures — Ontario	5,494	
Prospecting and staking costs — Quebec	11,070	
Prospecting and staking costs — Ontario	21,618	
	<u>123,410</u>	<u>138,498</u>
Deferred development expenditure less amounts written off	128,015	250,535
Deferred repair costs less amounts written off	27,877	14,129
Deposits	425	1,475
	<u>747,754</u>	<u>883,647</u>
	<u>\$3,039,332</u>	<u>\$2,990,501</u>

The accompanying notes are an integral part of this financial statement.



# Mines Limited

LIABILITY)

of the Province of Quebec

September 30, 1967

at September 30, 1966)

Canadian Currency

## LIABILITIES

### Current Liabilities

	1967	1966
Bank overdraft .....	\$ —	\$ 4,355
Wages payable .....	20,846	21,644
Accounts payable and accrued liabilities .....	68,487	56,502
Miscellaneous taxes .....	13,782	10,111
Estimated Quebec mining tax .....	—	1,600
	<u>103,115</u>	<u>94,212</u>

## SHAREHOLDERS' EQUITY

### Capital Stock

Authorized

7,000,000 shares of the par value of \$1.00 each

Issued (note 2)

4,983,656 shares

For cash ..... \$3,460,005

For mining properties and shares of subsidiary  
company ..... 1,523,651

4,983,656

Less discount on shares issued

For cash ..... 2,063,504

For mining properties ..... 1,189,917

3,253,421

### Earned Surplus

1,730,235 1,730,235

1,205,982 1,166,054

2,936,217 2,896,289

Approved on behalf of the Board of Directors

C. J. CUNNINGHAM-DUNLOP, Director.

D. D. THOMSON, Director.

\$3,039,332 \$2,990,501

atement and should be read in conjunction therewith.

# NEW CALUMET MINES LIMITED

(No Personal Liability)

## STATEMENT OF OPERATIONS For the year ended September 30, 1967 (with comparative figures for 1966) Expressed in Canadian Currency

	1967		1966	
Tons of ore milled .....	92,364 tons		95,761 tons	
	Per ton ore milled		Per ton ore milled	
<b>Gross metal production</b>				
Zinc .....	\$1,721,704	\$ 18.64	\$1,713,083	\$ 17.89
Lead .....	497,959	5.40	520,281	5.43
Gold .....	41,647	.45	39,900	.42
Silver .....	524,626	5.68	415,328	4.34
Copper .....	36,485	.39	32,079	.33
	<u>2,822,421</u>	<u>30.56</u>	<u>2,720,671</u>	<u>28.41</u>
<b>Deduct</b>				
Marketing charges .....	24,466	.26	22,948	.24
Treatment charges — zinc .....	691,297	7.48	676,391	7.07
— lead .....	66,999	.73	58,298	.61
Duty — zinc .....	86,157	.93	82,711	.86
— lead .....	30,229	.33	28,946	.30
Freight — zinc .....	120,971	1.31	116,977	1.22
— lead .....	97,586	1.06	91,144	.95
	<u>1,117,705</u>	<u>12.10</u>	<u>1,077,415</u>	<u>11.25</u>
Net value of metal production .....	<u>1,704,716</u>	<u>18.46</u>	<u>1,643,256</u>	<u>17.16</u>
<b>Operating and administrative costs</b>				
Development .....	143,772	1.56	118,336	1.24
Mining .....	718,613	7.78	714,881	7.46
Milling .....	187,301	2.03	182,262	1.90
Assaying .....	10,617	.11	10,168	.11
Hauling concentrates .....	35,250	.38	33,127	.35
Mine office and supervision .....	97,418	1.05	97,110	1.01
Miscellaneous operating expense .....	190,309	2.07	216,954	2.26
Administrative and general expense .....	87,420	.95	90,654	.95
Allowance for depreciation .....	30,599	.33	43,081	.45
Deferred development written off .....	122,520	1.32	79,672	.83
Estimated Quebec mining tax .....	—	—	1,600	.02
	<u>1,623,819</u>	<u>17.58</u>	<u>1,587,845</u>	<u>16.58</u>
Profit on mine operations .....	<u>80,897</u>	<u>\$ .88</u>	<u>55,411</u>	<u>\$ .58</u>
<b>Add</b>				
Gain on sale of securities .....	25,016		—	
Interest earned .....	16,762		9,556	
Dividends received .....	8,410		5,336	
	<u>50,188</u>		<u>14,892</u>	
	<u>131,085</u>		<u>70,303</u>	
<b>Deduct</b>				
Outside exploration written off .....	67,568		30,229	
Net profit for the year (note 3) .....	<u>\$ 63,517</u>		<u>\$ 40,074</u>	

The accompanying notes are an integral part of this statement and should be read in conjunction therewith.



# NEW CALUMET MINES LIMITED

(No Personal Liability)

## STATEMENT OF EARNED SURPLUS

For the year ended September 30, 1967

(with comparative figures for 1966)

Expressed in Canadian Currency

	1967	1966
Earned surplus at beginning of year	\$1,166,054	\$1,125,980
Add net profit for the year	63,517	40,074
	<u>1,229,571</u>	<u>1,166,054</u>
Deduct investment in and advances to subsidiary exploration company written off	23,589	—
Earned surplus at end of year	<u>\$1,205,982</u>	<u>\$1,166,054</u>

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended September 30, 1967

(with comparative figures for 1966)

	1967	1966
<b>Source of Funds</b>		
From operations		
Net profit for the year	\$ 63,517	\$ 40,074
Add expenses not involving an outlay of funds during the year		
Allowance for depreciation	30,599	43,081
Deferred development written off	122,520	79,672
Outside exploration written off	67,568	30,229
Deferred repair costs written off	23,240	35,048
	<u>307,444</u>	<u>228,104</u>
Deposit refunded	1,050	—
Final distribution received on winding up Grand Calumet Mines Limited	—	21,748
	<u>308,494</u>	<u>249,852</u>
<b>Application of Funds</b>		
Purchase of fixed assets	955	10,457
Advances to subsidiary companies	1,126	10,163
Investment in shares of other mining companies	11,480	—
Deferred development expenditure	—	9,350
Deferred outside exploration expenditure	52,480	41,523
Deferred repair costs	36,988	31,611
	<u>103,029</u>	<u>103,104</u>
Increase in working capital	205,465	146,748
Working capital at beginning of year	940,459	793,711
Working capital at end of year	<u>\$1,145,924</u>	<u>\$ 940,459</u>

# NEW CALUMET MINES LIMITED

(No Personal Liability)

## STATEMENT OF MINE OFFICE AND SUPERVISION EXPENSE

For the year ended September 30, 1967

(with comparative figures for 1966)

	1967	1966
Management and office salaries and expense .....	\$ 46,605	\$ 44,161
Engineering salaries and expense .....	29,163	29,626
Warehouse salaries and expense .....	16,803	16,048
Stationery .....	2,089	3,457
Travelling .....	660	674
Telephone and telegraph .....	1,696	2,738
Stamps and bank charges .....	402	406
	<u>\$ 97,418</u>	<u>\$ 97,110</u>

## STATEMENT OF MISCELLANEOUS OPERATING EXPENSE

For the year ended September 30, 1967

(with comparative figures for 1966)

	1967	1966
Fire protection .....	\$ 793	\$ 451
General surface expense .....	9,848	37,116
Dry house .....	16,014	20,413
Watchman and guard expense .....	9,420	9,078
Sundry .....	14,720	14,973
Heating .....	22,596	36,745
Lighting .....	3,660	4,296
Fire and other insurance .....	8,880	8,898
Workmen's compensation insurance .....	36,961	20,826
Unemployment insurance .....	7,269	7,396
Group insurance .....	14,857	13,778
Sales tax .....	3,830	6,050
Municipal taxes .....	14,439	13,924
Miscellaneous taxes .....	771	1,150
Retirement pension premiums .....	14,792	12,759
Quebec pension plan .....	11,890	9,705
Discounts earned .....	(431)	(604)
	<u>\$ 190,309</u>	<u>\$ 216,954</u>



# NEW CALUMET MINES LIMITED

(No Personal Liability)

## INVESTMENTS AT SEPTEMBER 30, 1967

### Marketable Securities

	Par Value	Cost	Quoted market value
Government of Canada 4¼ % bonds due September 1, 1972	\$ 3,000	\$ 2,767	\$ 2,745
	Number of shares		
Alcan Aluminum Limited	500	17,550	14,938
Combined Metal Mines Limited	48,750	20,178	9,994
Lake Dufault Mines Limited	2,000	29,002	21,500
Home Oil Company Limited	500	13,550	12,500
Martin-McNeely Mines Limited	5,000	3,925	900
Noranda Mines Limited	500	25,591	27,625
Pine Point Mines Limited	300	16,820	16,050
Shell Canada Limited	500	12,587	15,937
Toronto-Dominion Bank	2,000	24,630	27,000
		163,833	146,444
		<u>\$ 166,600</u>	<u>\$ 149,189</u>

### Subsidiary Companies (no quoted market value)

			Advances
Grand Calumet Mining Company Limited	1,200,000	\$ 221,296	\$ 39,131
Tetagouche Exploration Limited	187,500	86,847	—
		<u>\$ 308,143</u>	<u>\$ 39,131</u>

### Other Mining Companies (no quoted market value)

Beauchastel Copper Mines Limited	112,500	\$ 11,480
Cadieux Mines Limited	100,000	129
Consolidated Professor Mines Limited	90,000	85,516
Oola Mines (Canada) Limited	195,343	23,628
		<u>\$ 120,753</u>

# NEW CALUMET MINES LIMITED

(No Personal Liability)

## SUMMARY OF SUPPLIES AND SERVICES PURCHASED DURING THE YEAR ENDED SEPTEMBER 30, 1967

### Wages and Salaries

Wages and Salaries .....	\$ 812,760	
Pension Plan (Inc. Savings Fund) .....	33,718	
Holidays with Pay .....	36,354	\$ 882,832

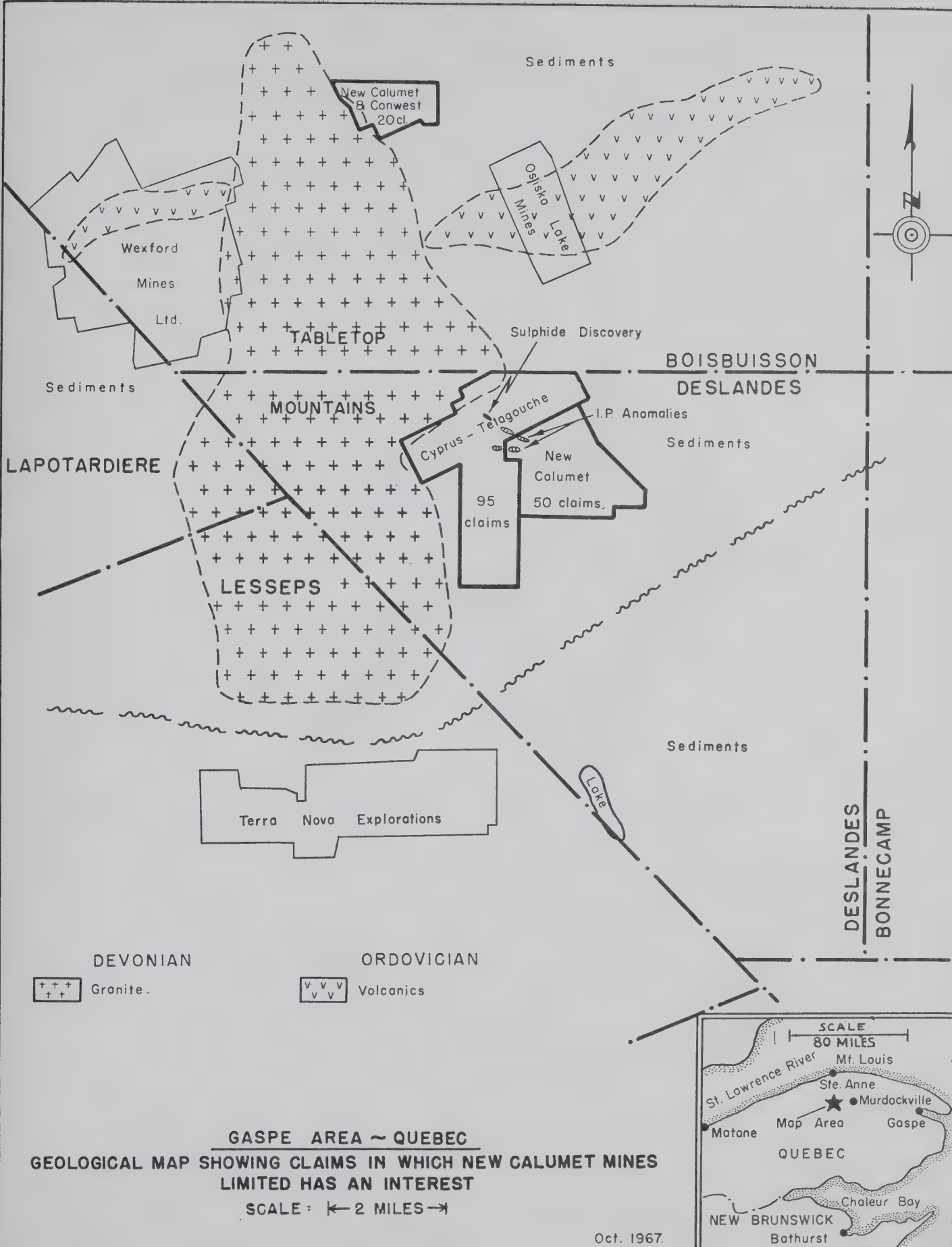
### Supplies

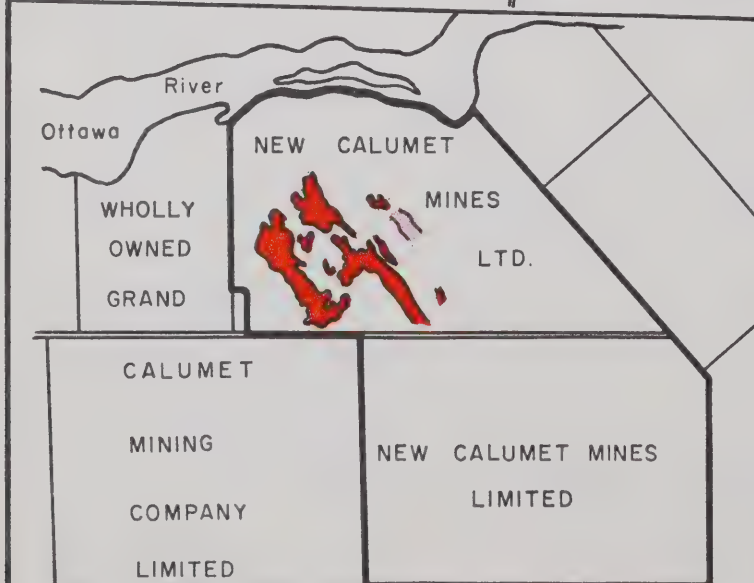
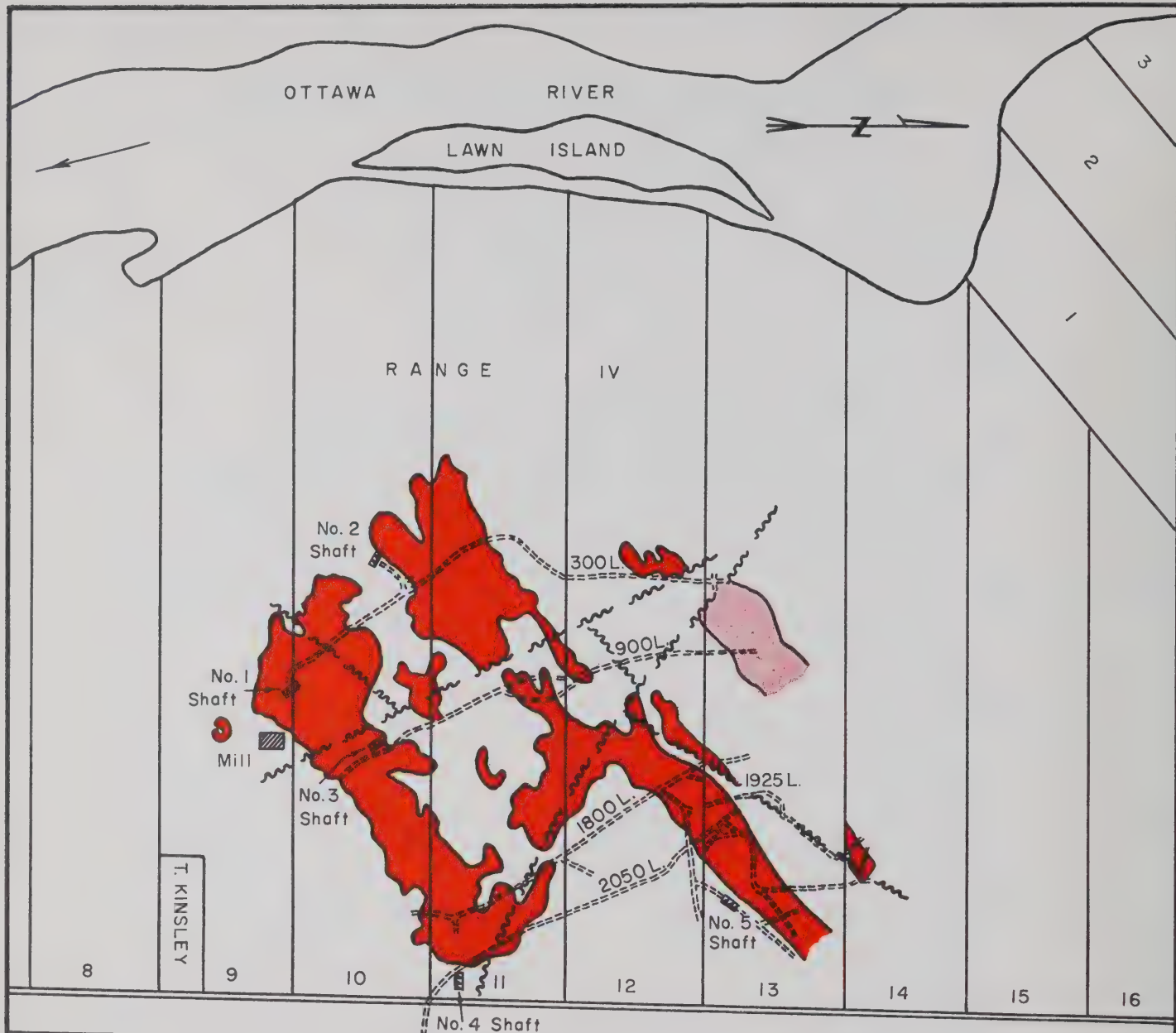
Hardware .....	\$ 8,395	
Iron, Steel .....	9,521	
Tungsten Carbide Bits and Steel .....	10,406	
Grinding Balls .....	7,607	
Wire Cable .....	12,411	
Electrical Supplies .....	5,130	
Pipe, Fittings, Hose .....	12,594	
Rock Drills & Repairs .....	17,821	
Mill & Crusher Repair Parts .....	18,224	
Misc. Supplies .....	36,524	
Power (Plant Operation and Heating) .....	67,181	
Timber .....	8,843	
Explosives .....	27,173	
Chemicals .....	37,122	
Fuel, Oils, Grease, Gasoline .....	26,081	
Transportation — Concentrates .....	\$ 235,754	
Supplies .....	6,513	242,267
Engineering and Geology Supplies .....	1,468	
Diamond Drill Bits and Repair Parts .....	2,110	
Machinery and Equipment .....	12,067	
Building and House Repairs .....	3,076	\$ 566,021

### Taxes

Provincial Sales Tax .....	\$ 3,799	
Federal Income Tax — Employees .....	41,746	
Provincial Income Tax — Employees .....	30,268	\$ 75,813







#### LEGEND

- Ore zones presently being mined
- Possible parallel ore zone

NEW CALUMET MINES LTD.  
OUTLINE OF ORE LENSES  
AND OWNERSHIP OF MINERAL RIGHTS

SCALE : 1" = 1000'

DEC. 1967.

SCALE : 1" = 4000'















To the Shareholders,  
NEW CALUMET MINES LIMITED.  
(No Personal Liability)

Mr. Smith

FOURTH QUARTER PROGRESS REPORT  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 1967

The accompanying statements show the earnings for the fiscal year ended September 30, 1967, at \$273,090.03 before write-offs and taxes, compared with \$196,070.87 for the same period last year. After writing off \$92,520.66 of deferred development costs, the net profit before taxes is \$180,569.37. No net profit was given in the progress report last year at this time, since deferred development write-offs were not made until the final audit, amounting to \$79,672.00.

The mine continues to operate at a modest profit. The increased silver price over the last four months has partially offset last spring's drop in lead and zinc prices. The smelter to which your Company's lead concentrate is under contract has been on strike since mid-July. The lead concentrate has been stockpiled at the mine since then, and earnings estimates have been based on the current lead price. There is no word of a settlement of the strike as yet, and there could be a change in the price of lead by the time the stockpile eventually reaches the smelter.

During the last three months, diamond drilling has been continued to probe the extension of the No. 5 Shaft ore body below the bottom level which is at 2,475 feet. This has disclosed erratic, narrow, high-grade ore between the 2,475 level and 2,700 feet. Drilling below this depth is starting now, in an effort to locate a widening of the ore zone.

Considerable geophysical and geochemical work has been completed on the 95-claim group in Deslandes Township, Gaspé, Quebec. Cyprus Mines Corporation holds an 81% interest in this ground. Tetagouche Exploration Company Limited holds a 14% interest. The latter is owned 75% by New Calumet and 25% by Belcher Mining Corporation Limited. A discovery of massive sulphides containing copper, lead and zinc was made during the summer. Large boulders have prevented the making of a trench more than 25 feet long, by hand methods, across the zone. The massive sulphides occur in the footwall of a strong, badly oxidized fracture zone whose total width is unknown due to trenching difficulties. The fracture zone was excavated as deep as 8 feet without reaching unoxidized material; however, fragments of massive sulphides were found during the digging. The zone strikes south-east, and about 150 feet away in this direction the structure is again exposed, and copper staining can be seen.

An induced polarization survey has disclosed a series of high conductivity anomalies extending south-east from the discovery for about 2,800 feet, covering a width of about 200 feet. A second, more easterly striking anomaly lying to the south joins the first at its east end.

Geochemical sampling has confirmed the presence of copper, zinc and lead values in the vicinity of the anomalies, as well as the discovery.

A road is being bulldozed now from the Madelaine River and diamond drilling to test the anomalies should begin by October 20th.

New Calumet owns 50 claims outright adjoining east of the above-mentioned 95 claims. The induced polarization anomalies extend well into the 50-claim group, and some drilling is planned for this property as well.

Your Company has joined Conwest Exploration Company Limited in a fifty-fifty Joint Venture option of a 20-claim group lying  $2\frac{1}{2}$  miles north of the Cyprus-Tetagouche group and covering part of the east contact of the Tabletop granite intrusive. Several showings have been found, of disseminated copper sulphides in fracture zones cutting hornfels alteration. These showings are all of sub-ore grade, but the geological setting is quite similar to that exposed on the Wexford property, which lies on the west flank of the granite intrusive. Prospecting, mapping and soil sampling are now underway.

Please refer to the map on the next page for the location of the three claim groups.

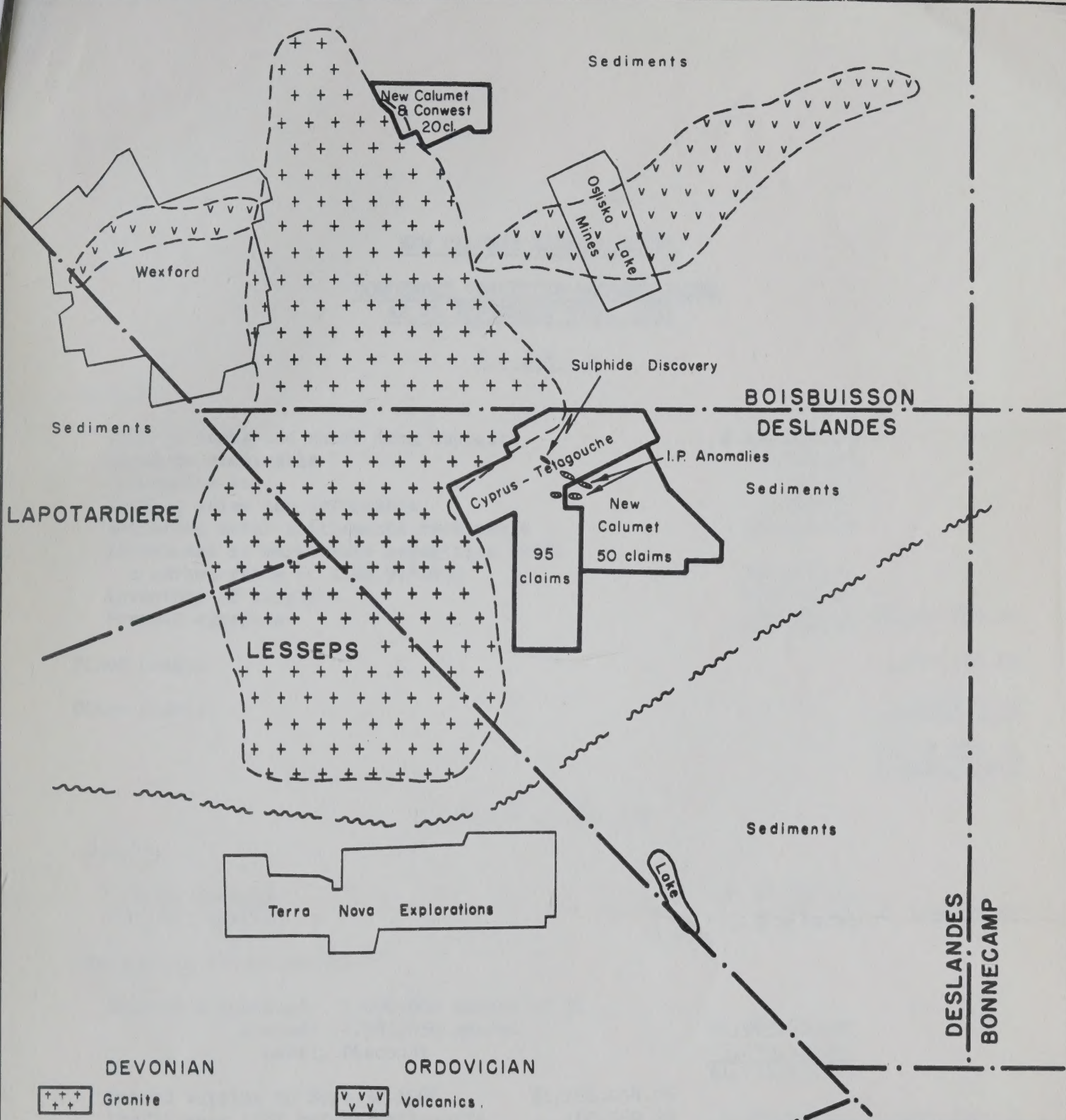
On Behalf of the Board of Directors,

Toronto, Ontario,  
October 11th, 1967.

C. J. Cunningham-Dunlop,  
President.







**GASPE AREA ~ QUEBEC**  
**GEOLOGICAL MAP SHOWING CLAIMS IN WHICH NEW CALUMET MINES**  
**LIMITED HAS AN INTEREST**  
**SCALE: 1 INCH = 2 MILES**



Deduct: Depreciation

Oct. 1967.

Other Income:

Interest received	\$ 16,538.58	\$ 9,545.31
Dividends received	8,410.17	5,336.04
Profit on sale of securities	25,016.06	15,709.32
Profit on disposal of assets	1,125.00	-
	<u>\$ 51,089.81</u>	<u>\$ 30,590.67</u>
Profit before write-offs and taxes	\$ 273,090.03	\$ 196,070.87
Deduct: Deferred development written off	\$ 92,520.66	*
Net profit before taxes	<u>\$ 180,569.37</u>	

\$ 222,000.22    \$ 107,400.20





NEW CALUMET MINES LIMITED

CONDENSED UNAUDITED BALANCE SHEET  
AS AT SEPTEMBER 30th, 1967.

A S S E T S

Current:

Cash in banks and short term deposits	\$ 534,650.16	
Accounts receivable	8,560.62	
Refundable tax	371.83	
Federal sales tax refundable	1,085.34	
Estimated metal settlements receivable	376,150.05	
Investment in marketable securities (with a market value of \$148,945.00)	166,600.39	
Inventory of supplies	165,379.89	
Prepaid expenses	<u>17,881.26</u>	\$1,270.679.54

Fixed Assets 1,047.984.63

Other Assets 877,213.42

\$3,195,877.59

L I A B I L I T I E S

Current:

Payroll payable	\$ 20,845.93	
Accounts payable	<u>98,172.68</u>	\$ 119,018.61

Capital and Earned Surplus:

Capital authorized: 7,000,000 shares of \$1			
Issued: 4,983,656 shares	\$4,983,656.00		
Less: Discount	<u>3,253,420.45</u>		
	\$1,730,235.55		
Earned surplus to Sept.30,1966	\$1,166,054.06		
Profit year 1967 before write-offs	<u>180,569.37</u>	<u>1,346.623.43</u>	<u>3,076,858.98</u>
			<u>\$3,195,877.59</u>

STATEMENT OF PROFIT AND LOSS  
FOR 12 MONTHS ENDED SEPTEMBER 30, 1967.  
(with comparative, audited, figures for 1966)

	<u>1967</u>	<u>1966</u>
Operating profit before deducting depreciation	\$ 249,690.09	\$ 208,086.21
Deduct: Depreciation	<u>27,689.87</u>	<u>42,606.01</u>
	\$ 222,000.22	\$ 165,480.20
Other Income:		
Interest received	\$ 16,538.58	\$ 9,545.31
Dividends received	8,410.17	5,336.04
Profit on sale of securities	25,016.06	15,709.32
Profit on disposal of assets	<u>1,125.00</u>	<u>-</u>
	\$ 51,089.81	\$ 30,590.67
Profit before write-offs and taxes	<u>\$ 273,090.03</u>	<u>\$ 196,070.87</u>
Deduct: Deferred development written off	<u>\$ 92,520.66</u>	*
Net profit before taxes	<u>\$ 180,569.37</u>	

